

Serial No. 09/764/787
U. S. Patent Application

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of:)
Julie A. Schwartz et al.)
Serial No.: 09/764,787)
Filed: January 17, 2001)
For: METHOD AND SYSTEM FOR)
AN EFFICIENT FUNDRAISING)
CAMPAIGN OVER A WIDE AREA)
NETWORK)

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AFFIDAVIT IN SUPPORT OF NONOBVIOUSNESS

We, Harry E. Gruber and Julie A. Schwartz, inventors named in the U.S. Patent Application No. 09/764,787, entitled "METHOD AND SYSTEM FOR AN EFFICIENT FUNDRAISING CAMPAIGN OVER A WIDE AREA NETWORK", jointly declare under penalty of perjury the following:

1. The matters referred to in this declaration are based upon our personal knowledge, except where otherwise indicated, and if called as a witness we could and would testify competently, thereto.
2. The above-referenced patent application has been assigned to Kintera, Inc., a San Diego, CA based software company. The patent application was filed in the United States Patent and Trademark Office on January 17, 2001.
3. The invention disclosed in the patent application has been a huge commercial success for Kintera. The invention is sold as a software to Kintera's customers. Kintera has sold the software to many of the largest nonprofit organizations, including American Cancer Society, American Heart Association, American Lung Association, Big Brothers Big Sisters, and Dana Farber Cancer Institute. The software allows nonprofit organizations to efficiently run fundraising campaigns online. In 2003 over 200 of our customers ran over 2,000 fundraising campaigns, raising approximately \$180 million dollars using our technology. Attached herewith are Exhibits A and B, illustrating the growth in monthly online donation processed and email solicitations using Kintera's online technology.
4. Since we first sold the software as a service, we have consistently received positive feedback from our customers and their volunteers and donors. Our customers and their volunteers and donors have specifically told us that *virtual plaques* encourage more frequent and larger donations. We have also received feedback from our customers and volunteers that *team competition and team ranks in virtual plaques* encourage more email

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solicitations by volunteers and gifts from donors. The *virtual plaques, team competition and team ranks* are recited in the independent claims of the patent application.

5. When we first developed our software for online fundraising, we were turned down by all of the major non profit organizations, such as American Cancer Society and American Heart Association. At that time, the prevailing wisdom in the trade press and among prospective customers was that online fundraising would never be successful because consumers would not donate online. The industry experts and nonprofit organizations believed that online systems were too impersonal, risky, expensive and too complicated to implement and run. However, once Kintera demonstrated that its technology can successfully raise money online, the entire industry rapidly adopted our technology.

6. Following skeptical responses from the nonprofit organizations about our technology, Kintera decided to run a fundraising campaign on an experimental basis with the San Diego Chapter of the Arthritis Foundation. The experiment was conducted to evaluate whether or not Kintera's technology would work. Kintera, the inventors, and the Arthritis Foundation were so surprised by the unexpected results and success of the first experimental campaign, that Kintera diverted substantially all the resources of the company to focus on this invention. More importantly, when the results of the first experimental campaign were shown to other nonprofit organizations they were surprised by the unexpected results. In fact, most customers ran their own trials to determine if the unexpected results would work in their setting. They would not make significant commitments to roll out the technology to all of their campaigns until they could be satisfied that the technology would work in their own campaigns. For example, the American Cancer Society was very skeptical about whether the results would translate to all of their campaigns, all of their geographic regions and to their corporate, volunteer and donor culture. Today, the American Cancer Society and other nonprofit organizations use Kintera's technology to run hundreds of fundraising campaigns.

7. Even though the Internet has been commercially available since about 1995 and nonprofit organizations have millions of dollars on Internet-related infrastructure, until Kintera's invention and implementation of its online fundraising technology, there was a consistent failure of nonprofit organizations and other vendors to develop a successful online fundraising technology. Even after the success of Kintera's technology, nonprofit organizations such as March of Dimes, National Multiple Sclerosis Society and the American Heart Association unsuccessfully tried to develop an online fundraising technology, demonstrating the technical hurdles that needed to be overcome to succeed.

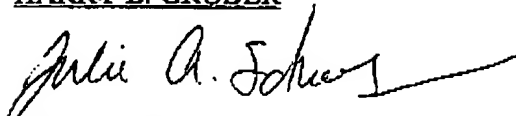
8. There has been a long felt but unsolved need for this invention. In the past, nonprofit organizations needed an effective way to quickly solicit and collect donations to reduce negative cash flow and to put additional resources in a fundraising campaign. Also, nonprofit organizations needed an effective means to input volunteer and donor data into their databases. Also, nonprofit organizations needed a superior way to publicly honor and thank volunteers and donors for their contribution of time and money. Also, nonprofit organizations needed an automated system to collect data about how well different teams were doing in the fundraising campaign compared to their competitors

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and to rapidly show the data to the teams to motivate and excite them to raise more money. Kintera's online fundraising technology provided a solution to these long felt but unsolved needs.

This declaration was executed in San Diego, California on January 26, 2004.


HARRY E. GRUBER


JULIE A. SCHWARTZ